Governance Principles for Sustainability
-Application Guidelines-

March 2004

"The goal of this document is to provide a mechanism to help ensure that the governance principles for sustainability are considered in the development of strategic resource management plans and policies."

Planning, Sustainability and Intergovernmental Relations Branch
Corporate Land and Resource Governance Division
Ministry of Sustainable Resource Management

BRITISH COLUMBIA

Commitment to Sustainable Resource Management

The BC government is committed to pass on to future generations a vibrant economy, a healthy and diverse environment, safe and resilient communities and a responsive government. This will be achieved by adopting a scientifically-based, principled approach to environmental management that ensures sustainability, accountability and responsibility.

Increasing certainty of access to Crown land and resources will result in increased investment, jobs and community stability. However, economic prosperity also depends on maintaining the natural quality of the environment and enhancing the health of our communities.

The following governance principles for sustainability form the basis of the ministry's approach to sustainable resource management.

Governance Principles for Sustainability

Certainty is about improving access to Crown land and resources; streamlining decision-making; seeking to accommodate First Nations interests; improving Crown land tenure management; improving the investment climate; and ensuring access to markets.

Certainty - Making timely and clear decisions within a predictable and understandable framework.

Competitiveness - Ensuring that British Columbia remains internationally competitive by removing barriers to investment and promoting open trade.

Efficiency - Focused and efficient delivery of government services and maximizing the net benefits arising from the allocation, development and use of natural resources.

Accountable and Responsive Government is about setting clear standards and ensuring those standards are being met through monitoring, enforcement, auditing and reporting.

Accountability - Enhancing performance management through effective compliance, enforcement, auditing and public reporting activities.

Continual improvement & innovation - Learning from the past, adapting to changing circumstances, encouraging innovation and being entrepreneurial.

Science-based decision-making – Making justifiable decisions informed by science-based information and risk management.

Transparency - Establishing open and transparent decision-making processes that consider First Nations, the public and other key interests.

Shared Stewardship is about working cooperatively to achieve a sustainable future by shifting towards results based approaches, providing incentive and taking into account economic, environmental and social objectives.

Inclusion - Including the interests of First Nations, and their desire to participate more fully in the economy of the Province.

Integration - Ensuring that decisions integrate economic, environmental and social elements, while considering the limits of each, for the benefit of present and future generations.

Shared responsibility - Encouraging co-operation among First Nations; federal, provincial and local governments; academics; industry and non-governmental organizations in developing and implementing policies.

Introduction

The goal of this document is to provide a mechanism to help ensure that the *Governance Principles for Sustainability* and the concept of sustainability are considered in the development of strategic resource management plans and policies.

The Province of B.C. has made a commitment to sustainability in the *New Era* document by stating that it will "*adopt a scientifically-based, principled approach to resource management that ensures sustainability, accountability and responsibility*". The government's *2004/05 to 2006/07 Strategic Plan* further demonstrates this commitment to sustainability.

> Three Goals of Government Strategic Plan
> **Goal 1: A strong and vibrant provincial economy**
> **Goal 2: A supportive social fabric**
> **Goal 3: Safe, healthy communities and a sustainable environment**

To help implement these goals and to contribute to sustainable resource management, the ministry developed a draft sustainability vision and ten draft sustainability principles in collaboration with other resource agencies. On May 22, 2002, the draft vision and principles were approved by Cabinet for public consultation.

After consultations with key academic, First Nations, government, industry and NGOs, a revised set of principles were developed. The updated ten '*Governance Principles for Sustainability*' and the '*Commitment to Sustainable Resource Management*' form the basis to incorporate the concept of sustainability into strategic resource management plans and policies.

Each division within the ministry is responsible for the application of the principles to appropriate policies and plans. The Planning, Sustainability and Intergovernmental Relations Branch will provide support and interpretive assistance to ensure consistent implementation. The guidelines and principles will be reviewed regularly to ensure that they reflect changing circumstances and the lessons learned from their application.

Figure 1 shows the ministry's vision, mission and goals and how the *Governance Principles for Sustainability* acts as an integrating agent.

Figure 1: MSRM Vision, Mission and Goals with the Governance Principles for Sustainability*

VISION
A vibrant economy supporting the social and environmental values of British Columbia
MISSION
To provide provincial leadership, through policies, planning and resource information to support sustainable economic development of the province's land, water and resources
Goal 1:
Sustainable economic development of land and resources
Governance Principles
Goal 2:
Effective delivery of integrated, science-based land, resource and geographic information
Goal 3:
Sound governance of land and resource management

**Source*: Vision, Mission and Goals outlined in the Ministry's *2004/05-2006/07 Service Plan*

Applying the Governance Principles for Sustainability

The *Governance Principles for Sustainability* provide a broad context for governance in resource management with the intention of moving towards certainty and sustainability by:

- guiding the development of strategic level resource management policies to ensure they address sustainability;
- enhancing consistency of policies across the ministry and ensure that economic, social and environmental elements are incorporated with long-term considerations;
- providing a possible framework for sustainability audits by the Office of the Auditor General;
- improving integration and coordination decisions across the ministry;

Figure 1: MSRM Vision, Mission and Goals with the Governance Principles for Sustainability*

VISION
A vibrant economy supporting the social and environmental values of British Columbia
MISSION
To provide provincial leadership, through policies, planning and resource information to support sustainable economic development of the province's land, water and resources
Goal 1:
Sustainable economic development of land and resources
Governance Principles
Goal 2:
Effective delivery of integrated, science-based land, resource and geographic information
Goal 3:
Sound governance of land and resource management

**Source:* Vision, Mission and Goals outlined in the Ministry's *2004/05-2006/07 Service Plan*

Applying the Governance Principles for Sustainability

The *Governance Principles for Sustainability* provide a broad context for governance in resource management with the intention of moving towards certainty and sustainability by:

- guiding the development of strategic level resource management policies to ensure they address sustainability;
- enhancing consistency of policies across the ministry and ensure that economic, social and environmental elements are incorporated with long-term considerations;
- providing a possible framework for sustainability audits by the Office of the Auditor General;
- improving integration and coordination decisions across the ministry;

- responding to direction from Cabinet to support economic development without compromising the environment; and
- contributing to increased certainty of access to Crown land and resources.

The government's *Strategic Plan* sets the overarching direction for government activities. The Ministry of Sustainable Resource Management provides a specific link to resource management activities, and the *Governance Principles for Sustainability* provide guidance for the development of sustainable resource management plans and policies. The figure below illustrates how the principles fit into government's *Strategic Plan* and guide operational policy.

Application Triggers

The principles are not intended for operational decisions. Rather, the *Governance Principles for Sustainability* are meant to apply to 'strategic resource management plans and policies'. These initiatives may share the following characteristics:

- submitted or planned for submission to Treasury Board or Cabinet (or a committee of Cabinet); and
- strategic in nature (meaning a planned overall direction that government is intending to take)

While it would be ideal to identify exactly what circumstances will trigger a need to apply the principles, it is important to understand that the spirit and intent of the principles should be reflected throughout resource management policies. It is therefore best to assume that the principles will also be applied in 'grey' areas or circumstances that may not clearly be defined as 'significant resource management policies'.

A Recommended Approach: The Three Question Analysis

The use of the *Application Guidelines* is intended to add value - rather than another layer of bureaucracy - to the policy development process. To ensure that the principles are addressed and appropriately reflected in policies, a method called the 'Three Question Analysis' is recommended. The Three Question Analysis can be adapted to specific circumstances and changing needs – the point is to ensure that the governance principles and elements of sustainability are reflected in development process of strategic plans and policies.

The 'Three Question Analysis' uses the following questions:

Question 1. How do the objectives of the policy contribute to the government Strategic Plan?

Government Strategic Plan Goals

- *Goal 1: A strong and vibrant provincial economy*
- *Goal 2: A supportive social fabric*
- *Goal 3: Safe, healthy communities and a sustainable environment*

Objectives provide a link between government or ministry goals and policies. They help provide a basis from which to measure progress towards the goals. According to the Ministry of Finance[1] objectives are concise, realistic, result-oriented and concrete statements of the results that a ministry or core business area achieves along the way toward accomplishing its goals. They should be stated in a way that clearly communicates what is to be achieved, measured or assessed and by when, although not addressing how to achieve them.

---

[1] Source: Ministry of Finance. *Guidelines For Ministry Service Plans 2003/04 - 2005/06.* August 21, 2002. Estimates and Performance Planning Branch, Treasury Board Staff. http://www.fin.gov.bc.ca/tbs/SPG03-06.pdf

Objectives should meet the following criteria:

- be phrased as result statements and not as activity statements;
- have clearly stated concrete measurable results;
- answer the following questions: What specific results or aspects of the outcome the objective is seeking? What is being measured? When can you expect to see the results? (e.g., instead of "enhance financial viability" state the objective as "transform the sector from a net loss position to a net profit position in three years"); and
- be adequate in aggregate to achieve their corresponding goals.

MSRM has also published standards for writing objectives entitled *The Guide to Writing Resource Objectives and Strategies* [2].

Question 2. How does the policy address the Governance Principles for Sustainability?

Each principle should be considered and the interrelatedness of related principles should be noted.

Section 2 of this document provides a detailed description of each principle and outlines a number of questions that could be asked to determine if the initiative has addressed the principle.

Question 3. How will the effectiveness of the policy/plan be measured?

Measuring progress towards achieving policy objectives is an important activity to ensure that the initiative produces the desired results. There are three type of performance measures: input, output and outcome.

Input measure: the resources (dollars and FTE) used to undertake a function.	**Input measures** on their own are of limited value, but when linked to outputs provide useful measures of efficiency.
Output measure: the level of service provided by a program or the products and services delivered.	**Output measures** are usually quantifiable, for example, cost, quality and timeliness, when linked with outcome measures they provide useful information.
Outcome measure: the result, the consequence or the change in condition, behaviour or attitude.	**Outcome measures** are the most important type of measure because, ultimately, they deal with evaluating the effectiveness of the policy.

While outcome measures provide the best perspective of the policy effectiveness, they are the most difficult and contentious, in part because the link between policy implementation and the observed results is sometimes tenuous. Ultimately, it is knowing the outcomes of government policies that is of primary importance from a performance management perspective. This requires that the objectives are clearly defined and the progress towards achieving those objectives is measured and reported.

[2] The 2nd Edition of this document will be released shortly and will be titled *Writing Objectives and Strategies: A Guide to Preparing Effective Resource Management Plan.*

How the Three Question Analysis is used and communicated will depend on the situation. The questions could be reflected in an appendix to Cabinet submissions or in supporting briefing notes. Where policies are especially complex, it may be useful to address the three questions in a matrix or some other format that explicitly identifies how the policy /plan has been structured to address the each question. The questions could also be incorporated into a policy discussion paper.

The Governance Principles for Sustainability and the concepts underlying the Three Question Analysis have been incorporated into the standards for the development of Sustainable Resource Management Plans (SRMPs). In cases where the plan has met these approved standards, it may not necessary to apply the full three question analysis.

Detailed Descriptions of Principles

What does each principle mean?

The principles are interrelated and intended to overlap and support one another. The following definitions focus the intent of the specific principles, and emphasize the inter-related aspects. It is also important to note that the end purpose of the policy/plan being developed will often dictate the level of focus and types of questions and considerations that need to be examined. For example, if new legislation encompasses both strategic and operational aspects, then the questions and sources of information consulted will vary considerably.

The questions and comments for each principle are intended to further assist the policy analyst in considering all levels and aspects of the sustainability hierarchy. There is no intention to have the analyst answer each question in detail, but it may be useful to review the questions to ensure that key elements of the principle have been addressed.

Accountability

Accountability is a key aspect of all the principles and the way that government does business.

Definition

Accountability is about how performance is managed, measured and documented. It is about setting clear standards, ensuring appropriate monitoring and enforcement, and being adaptive in order to improve policies, standards and performance.

It is about determining whether the intended results of a policy have been achieved. It is also about measuring and evaluating results; ensuring that standards apply, and can be applied, equally to all stakeholders; ensuring that standards and enforcement are effective and fair and determining if standards are being met.

The Office of the Auditor General of British Columbia defines accountability as:

"*...a relationship between two parties. In the case of government, the contract is between the public and their government: the public gives government the responsibility to govern and manage public resources, and the government in turn is accountable to the public through the Legislative Assembly for its performance. This concept is fundamental to our democratic system. It establishes the right of a citizen to know what government intends to do and how well it has met its goals.*"

(*from: www.bcauditor.com*)

Key Questions

- Are accountabilities clearly defined?
- Is any element of the work governed by a professional body?
- Are the intended outcome(s) of the policy clear?
- Are there measurable objectives or results that the policy will create?
- Are there performance measures or indicators that could be in ministry Service Plans, indicator reports or other mechanisms to measure progress of the policy?
- Do standards apply, or can they be applied equally to all stakeholders?
- Does the policy lend itself to measuring whether its intended outcomes are being achieved?
- Does the policy overlap with existing legislation for the sector or with legislation that governs professional bodies with responsibilities for that sector?

Related Principles

- Shared Responsibility
- Transparency
- Certainty
- Continual Improvement and Innovation
- Science-based decision-making

Certainty

Certainty is key to making timely and clear resource management decisions within a predictable and easily understood regulatory framework.

Definition

Certainty is about a structure that makes for a logical, organized, reliable, consistent and predictable decision-making process. This starts at the strategic level and continues through to operational decisions. It requires that timelines (approvals, plans, processes, tenure terms, etc.) are clear and that there is no ambiguous language in any element of the policy.

Certainty requires the recognition or acknowledgement of existing rights and obligations. Decisions must give due consideration to all values, and be supported by appropriate information and analysis. For example, the Crown has a legal obligation to consult with First Nations, in respect of Aboriginal interests, and to accommodate those interests where required. The consultation/accommodation process should contribute to certainty of management and development of Crown land and resources.

Increased certainty is a key aspect to the investment that generates sustainable economic growth. As Minister Stan Hagen noted in a speech to the Vancouver Board of Trade, June 2003:

> *"Achieving certainty over our land, water, and resources is the foundation for . . . province-wide prosperity. . . By providing certainty, government can encourage and inspire businesses to make BC a major destination for new investment and new jobs."*

Key Questions

- Are objectives of policy clearly defined?
- Are timelines clearly defined and stated?
- Is there overlapping jurisdiction? If so, does the policy identify how it is to be handled?
- Are accountabilities clearly defined – who is responsible for analysis, approvals, etc.?
- Are there mechanisms to streamline cross-jurisdictional issues? Is there an effective decision-making framework in place to ensure that the purpose of the policy is achieved and that results of decisions will be consistent and defensible?

Related Principles

- Accountability
- Transparency
- Competitiveness
- Science-based decision-making
- Inclusion

Competitiveness

Competitiveness is key to creating a positive investment climate and contributes to both a strong economy in the immediate future and to long-term economic sustainability.

Definition

Competitiveness involves businesses being able to offer products and services that are more attractive in terms of cost, quality or other attributes than their competitors. Governments can contribute to both national and international competitiveness in a range of ways.

In striving to create a positive investment climate, the government is, amongst other things,

- removing unnecessary subsidies to, and taxes on, businesses
- simplifying and speeding up resource planning and permitting processes and improving the availability of resource information in order to improve access to resources and development opportunities
- cutting the regulatory burden by one-third,
- eliminating inter-provincial trade barriers and influencing international and inter-provincial trade negotiations and disputes
- fostering research, development and innovation, and improving other critical public goods and infrastructure which would not otherwise be provided by the private sector (e.g. education)

Key Questions

- Does the proposed policy create additional regulatory requirements or tax impacts with negative consequences for industry costs and/or productivity? If so, do the public benefits of these regulations outweigh the negative impacts on competitiveness? Could the regulatory costs be reduced through policy redesign while focusing on the desired outcome and retaining the policy benefits?
- Does the policy unnecessarily add complexity or increase the time required to access natural resources or development opportunities?
- Will the policy result in significantly increased costs for BC industries/producers, particularly those that are marginal producers (barely competitive), compared to their competitors in other jurisdictions? Through this or other means, will the policy put BC at a significant disadvantage in attracting investment relative to our key competitors?

Related Principles

- Certainty
- Shared Responsibility
- Continual Improvement and Innovation
- Efficiency

Continual Improvement and Innovation

Continual Improvement and Innovation is key to being able to learn from the past, incorporate new ways of doing things, and adapt to changing circumstances.

Definition

Continual Improvement and Innovation is about using new approaches, ways of thinking, skills, and technologies in changing circumstances. It is about being entrepreneurial; managing and organizing the direction being taken for the best outcome possible.

Continual Improvement is about seeking better results; innovation is used to develop better ways of achieving desired results.

Innovation leads to significant competitive advantages, including technical and/or institutional improvements. This will translate into reduced costs, enhanced access to new markets and increased employee and investor loyalty.

Continual Improvement and Innovation is an ongoing process. As conditions change and new information becomes available, it is sometimes necessary to adjust the course towards sustainability. Monitoring and adaptive management are key elements in this.

Key Questions

- Is there a framework in place to analyse methods and results of the policy? Are the methods and results evaluated on a regular basis, using a defensible methodology?
- If the policy is not effective, can it be adapted?
- If the methods to achieve the intended result are not effective or efficient, can they be adapted?
- Does the policy provide opportunities to determine the best way for achieving a given objective?
- Does the proposed policy provide opportunity or incentives for companies or government to embrace innovation?
- Does the policy explicitly provide a vision or direction for innovative practices?

Related Principles

- Shared Responsibility
- Accountability
- Certainty
- Science-based decision-making
- Efficiency
- Competitiveness

Efficiency

Efficiency is key to achieving development that results in the maximum net benefit for present and future generations.

Definition

Efficiency is about maximizing benefits and minimizing costs. It means providing focussed and effective delivery of government services, while keeping burdensome administrative requirements to a minimum. It avoids revisiting old issues that are well understood and looks to creating the best solution possible under the circumstances.

Efficiency is about determining the highest and best use and how to go about maximizing net benefits of the resources available. Maximizing net benefits means getting the optimal use out of Crown land and resources while considering economic, social and environmental values and benefits over time and space.

Efficiency is about considering the three elements of sustainability - social, economic and environmental - as well as the needs of present and future generations, when making decisions.

Key Questions

- Does the policy consider economic, environmental and social elements while addressing the highest and best use? Does the policy identify key impacted values?
- Does the policy identify potential immediate and future impacts?
- Does the policy strive to maximize the total net benefits?

Related Principles

- Integration
- Continual Improvement and Innovation
- Science-based decision-making
- Competitiveness

Inclusion

Inclusion is key to ensuring that the interests and rights of all parties are understood and addressed wherever possible.

Definition

Inclusion is about meaningful consultation and involvement. It extends to First Nations and stakeholders with a significant interest in the outcomes of sustainable resource management. Inclusion is about talking to First Nations to identify their interests and to encourage their participation in economic development and resource governance in the province. The Crown also has a legal obligation to consult with First Nations, in respect of Aboriginal interests, and to accommodate those interests where required.

Inclusion facilitates an understanding of interests and identification of new economic opportunities among a broad stakeholder community, including First Nations, local government, communities, industry and non-government groups.

Key Questions

- Will the development and implementation of this policy/decision affect First Nations rights and title or stakeholder interests?
  - If so, have First Nations been consulted appropriately or have stakeholders been provided an opportunity for input?
  - If not, should First Nations or stakeholders be informed of what is being proposed?
- Are there any strongly held positions for which accommodation is not required?

Related Principles

- Shared responsibility
- Certainty
- Integration

Integration

Integration is key to ensuring that decisions consider the interconnected nature of economic, environmental, and social elements, and the limitations within each of these elements.

Definition

Integration is about recognizing that it is not possible to pursue goals of one element of sustainability without affecting the others. Thus, integration addresses the impacts of decisions with considerations of how they affect the economic, environmental, and social elements, as well as how they affect both the present and the future.

Integration is not about making everyone happy. One of the key challenges is that development intrinsically involves trade-offs between potentially conflicting goals, such as between economic growth and conservation, and modern technology and production methods or indigenous and traditional practices.

Integration is about assessing limits, weighing values, and choosing between the best possible options. A balanced consideration of each of the elements of sustainability is central to this.[1]

Key Questions

- Does the policy consider different values across and within geographical areas and social contexts?
- Does the policy consider different values in the present and anticipate future concerns?
- Does the policy use or encourage the use of analysis and risk assessment tools (such as multiple accounts analysis or triple bottom-line reporting)?

Related Principles

- Science-based decision-making
- Efficiency
- Shared Responsibility

[1] *(National Sustainable Development Strategies: Experience and Dilemmas. 1994. Barry Dalal-Clayton, Stephen Bass, Barry Sadler, Koy Thomson, Richard Sandbrook, Nick Robins and Ross Hughes from http://www.iied.org/docs/spa/epi6.pdf)*

Science-based Decision-making

Science-based decision-making is key to being able to make justifiable decisions and risk assessments informed by science-based information.

Definition

The most credible and current information must be utilized to make decisions. Science-based decision-making integrates the sciences from the three elements of sustainability: economic, environmental and social. This process will help ensure that decisions are based on the best available information and are defensible.

Science-based decision-making is also about risk management—determining an *acceptable* level of risk before a decision is made. Sustainability requires an ability to predict as clearly and objectively as possible the economic, environmental and social consequences of decisions and to anticipate the implications of changing future conditions. Science-based decision-making is about using well-tested procedures to do this.

In the broadest sense this principle also includes other types of knowledge that may rest outside of conventional "scientific" methods. Local, traditional or other forms of knowledge, enhance opportunities for sound decisions and certain outcomes.

It is important to evaluate whether decisions should be deferred to await more science and to recognize that new science in the future is part of continual improvement and innovation.

In the absence of scientific-based or knowledge-based information, a precautionary or no-risk approach may be considered. This is one which development is limited until uncertainty is resolved.*

Key Questions

- Has the best science available been applied?
- Where there are gaps in scientific information?
- What are the risks of deciding now and using adaptive management as new science becomes available (as compared with delaying a decision while waiting for more science)?
- Have key sources of scientific information been utilized (research, monitoring, inventory, survey, modelling, assessment, synthesis, expert opinion, local or traditional knowledge)

Related Principles

- Accountability
- Transparency
- Efficiency
- Continual Improvement and Innovation
- Integration
- Certainty
- Inclusion

*adapted from State of Washington's Growth Management Act – Procedural Criteria for Adopting Comprehensive Plans and Development Regulations in 'What kind of science support is needed for the new Ministry of Forests mandate?' Curran, Mike, Draft No. 2, December 7, 2001

Shared Responsibility

Shared responsibility is key to encouraging co-operation among First Nations and stakeholders in developing and implementing resource management policies.

Definition

Shared responsibility is about involving First Nations, governments (federal, provincial and local), academics, industry and non-governmental organizations in decision-making. This may also include the general public. Cooperation is central to involved decision-making. Shared responsibility promotes certainty, efficiency and integration of a broad range of values.

Government has a responsibility to govern processes to ensure timely and consistent outcomes. Shared responsibility can extend the policy-making role beyond government in public-private partnerships. Shared responsibility is meant to enhance compatibility, timeliness and certainty and is not intended to simply shift decisions to other agencies or bodies.

Key Questions

- Does the policy consider the results of community working groups that are involved in similar issues (i.e. Georgia Basin Action Plan, Fraser Basin Council, etc.)? *These groups have usually engaged multiple stakeholders, and have examined relevant issues in detail at several levels (i.e. strategic, operational, etc.).*
- Does the policy include provisions for the establishment of cross-functional working groups?
- What existing intergovernmental, stakeholder or First Nations agreements relate to the policy?

Related Principles

- Inclusion
- Integration
- Certainty
- Accountability
- Competitiveness
- Continual Improvement and Innovation

Transparency

Transparency is key to creating open decision-making processes that consider First Nations and stakeholders and inform the public.

Definition

Transparency is providing understandable information and being honest through all stages of consultation and decision making processes. This includes disclosing relevant information in consultation processes and providing adequate opportunity for input into decision-making. Transparency encourages trust among First Nations, the public, and other parties interested in resource management decisions.
Transparency is enhanced where established review and comment requirements, process input and access are offered to interested parties as part of the process. It is strengthened by explaining the rationale for decisions to interested parties so they can understand how their input was used.

Key Questions

- Is there a clear, understandable decision-making framework or process in place?
- Is the framework or process communicated clearly? Has it been throughout the process?
- Is the framework or process accessible to the involved parties?
- Is the rationale for decisions clear and accessible?
- Has there been adequate opportunity for input?

Related Principles

- Efficiency
- Accountability
- Certainty
- Integration
- Science-based decision-making